



Committee On: Revenue

Title: Change income tax, sales and use tax, and homestead exemption provisions

X Indefinitely Postponed

0 Absent

Himself
 Nebraska Power Association
 Creighton University School of Law
 Duncan Aviation
 Voices for Children in Nebraska
 Association of NE Community Action Agencies
 NE Broadcasters, NE Health Care Assn., NE
 Realtors Assn., NE Society of CPAs, NE State
 Cemetery Assn.
 NE Chamber, NE Bankers, NFIB in NE
 American Petroleum Institute
 Girl Scouts
 NE New Car Dealers Association
 NE Telecom. Bus.Users & West TeleServices
 ALLTEL Communications
 Nebraska Press Association
 Associated General Contractors of America

Neutral:
None

Representing:

Summary of purpose and/or changes:

LB 841 would have repealed numerous sales tax exemptions, including those for farm machinery, and subscription magazines, and also called for returning food to the sales tax base. The bill extended the sales tax to reach additional services. The base expansion was directed mainly at business inputs like advertising, building cleaning and maintenance, employment and temporary help services, and secretarial and legal services. Among the consumer services to be taxed were repair services and installation labor.

The funds raised were to be used to reduce individual income tax rates by about 15 percent and provide a general homestead exemption. The homestead exemption of \$30,000 would have reduced the average homeowner's property taxes by about 41.5 percent.

Explanation of amendments, if any:

Senator William R. Wickersham, Chairperson